I. INTRODUCTION

The federal-state Unemployment Insurance (UI) program offers assistance to workers who have lost their jobs through no fault of their own. In all states, the level of cash benefits paid is based on previous wages earned, and the duration of benefits is limited, typically up to a maximum of 26 weeks. However, the federal government has extended the duration of benefits during every recession since the 1950s. Most recently, the Emergency Unemployment Compensation Act of 1991 created the Emergency Unemployment Compensation (EUC) program. The program, extended by subsequent amendments to the act, paid federally financed extended benefits from November 1991 through April 1994. More than $28 billion in benefits was paid under the program.

This evaluation of the EUC program examines a series of questions about extended benefits policy that were raised by implementation of the program. Included are broad questions about the cyclical adequacy of the program and its employment stabilization effects, as well as more specific questions about the program's effects on claimant behavior, mechanisms that could be used to initiate extended benefit policies, and how emergency extended benefit programs could be integrated with the regular UI and the permanent Extended Benefits (EB) program.

In this chapter, we review the history of extended benefits policy in the United States, highlighting some major ongoing issues. We then focus on the EUC program, explaining the most important aspects of the five phases of EUC. Next, we list the primary questions about the EUC program that we address in this report. The chapter concludes with a discussion of our approach to the evaluation and an outline of this report.

A. A BRIEF HISTORY OF EXTENDED BENEFITS POLICY IN THE UNITED STATES

Since the inception of the federal-state UI program in 1935, all states have limited the number of weeks claimants may collect benefits. States established these limits initially because they were concerned about their ability to finance lengthy benefit durations, given available financial resources. Limited durations were also viewed as an important mechanism for stressing the distinction between UI and "welfare": unemployment benefits were only a temporary "first line of defense" for workers who lost their jobs. There was also concern that providing benefits for a longer period might slow workers' return to work by reducing costs associated with continued unemployment. Hence, states were cautious in establishing UI durations policy, eventually settling on a standard 26-week maximum.[1]

1. Rationale for Extended UI Benefit Durations

Because the likelihood of facing a long unemployment spell varies substantially over a business cycle, the 26-week maximum may not be appropriate for all economic circumstances. Providing longer durations during economic downturns would be consistent with an insurance-based rationale for UI, under which the degree of worker protection should rise to compensate for the increased risks that workers face. For example, Corson and Nicholson (1982) found that the goal of keeping the exhaustion rate for all UI benefits roughly constant over the business cycle can be achieved by increasing UI durations by 3.5 to 5 weeks for every one-point rise in the insured unemployment rate (IUR) above full employment levels. Other writers (see, for example, Moffitt 1985) have obtained

[1]Two states, Massachusetts and Washington, currently have a 30-week maximum. Eight "uniform duration" states (Connecticut, Hawaii, Illinois, Maryland, New Hampshire, New York, Vermont, and West Virginia) provide 26 weeks of benefits to all workers regardless of previous work experience. Other states base potential durations on a claimant's prior work experience. At times, some states have implemented their own extended benefits programs, but here we discuss only federal initiatives.

similar figures, using a variety of approaches. Such cyclical increases in UI durations became a standard feature of UI policy after the late 1950s.

The argument in favor of increasing UI protection for longer expected spells of unemployment need not be limited to cyclical situations. For example, the Advisory Council on Unemployment Compensation (1994) suggests that extended benefits might be made payable to workers who exhaust their regular UI entitlements and can be identified as dislocated. The Trade Adjustment Assistance (TAA) program uses this approach for workers who can show that increased imports "contributed importantly" to their job loss and who are participating in an approved training program (or have received a waiver of the training requirement).[2] Unemployment compensation programs in western European countries also tend to offer extended benefits options to older, more experienced workers and to workers from regions with high unemployment rates (Congressional Research Service 1992). For the most part, however, extended benefits programs in the United States have not singled out such special groups, although there has been policy interest in how the needs of such workers have been met under the general extended benefits programs.

Accepting the principle that some extension of UI benefit duration during a recession is appropriate raises several implementation issues:

- How should extended benefits be targeted to labor markets and time periods in which they seem most needed?
- Should the program contain provisions that "reach back" to cover workers who exhausted regular UI in earlier periods?
- Should all exhaustees of regular UI be eligible for extended benefits, or should additional eligibility screens (perhaps based on prior work experience or current job search activities) be applied?

[2]For a detailed discussion, see Corson et al. 1993.

- What durations of extended benefits should be offered? Should durations be tailored to labor market conditions?

- Should job search or other reemployment services be offered in conjunction with extended benefits?

- When and how should extended benefits programs be terminated?

The discussion that follows illustrates how these issues have been treated during the past 25 years.

2. The Permanent EB Program

Temporary programs to extend UI durations were adopted at the federal level during the recessions of the late 1950s and early 1960s. Experiences under these programs suggested the desirability of developing a more systematic approach to extended benefits policy, which was accomplished by passing the Employment Security Amendments of 1970. These amendments established a permanent program under which as many as 13 additional weeks of extended benefits could be made available to workers who had exhausted their regular UI entitlements.[3] These benefits were to be financed on a 50-50 basis by federal and state UI taxes and were to be activated ("triggered on") whenever the IUR in a state reached a certain threshold.

Much of the controversy over the EB program has focused on its triggering mechanisms and whether the program can target extended benefits to labor markets and time periods in which they are most needed. In the 1970s, EB was payable in a state if the state's IUR averaged 4 percent or

[3]Technically, EB provides up to one-half of an individual worker's UI entitlement, up to a maximum of 13 additional weeks. In addition, to be eligible, the worker's "benefit year"--the one-year period starting with the date of the initial UI claim--must not have ended. The EB program does not explicitly cover individuals who exhausted their regular UI entitlements in prior periods if their benefit year has ended. For a defined period, however, emergency extended benefits programs have generally provided this coverage.

more for 13 consecutive weeks and was at least 120 percent of the average IUR for the corresponding 13-week period in the prior two years. EB also contained a national trigger, under which benefits became available in all states whenever the seasonally adjusted national IUR exceeded 4.5 percent for 13 consecutive weeks. Amendments to the program in 1981 eliminated the national trigger and raised the state trigger requirement to 5 percent, with a 120 percent threshold, or 6 percent if the 120 percent threshold is waived.[4]

These changes had a substantial effect on EB caseloads. One simulation suggests that they reduced EB first payments by as much as 25 to 30 percent during the early 1980s and by a much greater magnitude during periods of strong labor market activity (Corson and Nicholson 1985). An even more significant impact on the EB trigger mechanism may have resulted from the secular decline in the IUR that continued throughout the 1980s (Burtless 1983; and Corson and Nicholson 1988).[5] By the early 1990s, despite generally worsening labor market conditions at that time, no state met the trigger requirements for the EB program.

In response to this situation, the Unemployment Compensation Amendments of 1992 permitted states to choose an alternative trigger mechanism based on the total unemployment rate (TUR). Under this alternative, 13 weeks of EB would become available whenever a state's seasonally adjusted TUR for a three-month period exceeded 6.5 percent and was at least 110 percent of that rate

[4]The 1981 amendments also modified the formula for the IUR trigger by dropping EB claimants from the numerator. This was intended to mitigate several anomalies, such as the tendency of the EB program to prolong its own duration in a state and the tendency of past EB payments to raise trigger thresholds inordinately because of the 120 percent rule.

[5]This secular decline has been attributed to a variety of causes, including (1) changes in the composition of unemployment--especially the reduced importance of unemployment from manufacturing industries; (2) federal policy changes, including taxation of UI benefits and changes in pension offset provisions; and (3) changes in policy at the state level, many in response to the tightening of UI trust fund and loan provisions.

in either of the previous two years. If the TUR exceeded 8 percent (again, with a 110 percent threshold), 20 weeks of EB would become available.

Because EUC effectively supplanted EB, there has been very little operational experience with these new triggers, but simulations using historical data suggest that the alternative triggers may have a major impact on making EB more widely available in the future (Corson and Rangarajan 1994). For example, one simulation of experiences during the 1980s showed that more than one-third of all exhaustees would have been eligible for EB with the alternative trigger, as opposed to fewer than 10 percent under the IUR trigger existing at the time (Corson and Rangarajan 1994).

Issues surrounding eligibility for EB have also recently come under public scrutiny. Initially, all regular UI exhaustees whose benefit years had not ended were eligible for the EB program. In 1980 and 1981, however, several eligibility provisions were added. Specifically, eligible workers were required to have the equivalent of 20 weeks of full-time work in their base periods, a figure that exceeded some states' requirements for initial UI eligibility.[6,7] In addition, requirements for continuing eligibility were tightened by adoption of more stringent "suitable work" definitions and by requirements of active job search than had existed in some states. By one estimate, these changes reduced the overall EB caseload by about 10 percent (Corson and Nicholson 1985).

3. Emergency Extended Benefits Programs

During every major recession since inception of the EB program, the federal government has provided emergency ("third-tier") benefit extensions that offer UI claimants benefits in addition to

[6]Earnings in the base period, a one-year period prior to the UI initial claim, are used to determine UI eligibility and benefit amounts. In most states, the base period is the first four of the last five completed calendar quarters at the time of the initial claim.

[7]Several European countries mandate additional base period employment requirements for extended benefits eligibility.

(and, sometimes, in place of) those provided by the permanent EB program. The first of these major emergency programs was the Federal Supplemental Benefits (FSB) program, enacted in late 1974. This program initially provided up to 13 additional weeks of benefits but was soon expanded to 26 weeks. During the 1974-1975 recession, many claimants were eligible to receive up to 65 weeks of benefits--26 from regular UI, 13 from EB, and 26 from FSB.[8]

Much of the analysis of the FSB program has focused on the potentially long durations provided by the program. Several studies have reported that these durations reduced the overall benefit exhaustion rate below that which occurs during normal, nonrecessionary periods (Katz and Ochs 1980; and Corson and Nicholson 1982). Other studies have suggested that the durations may have encouraged workers to prolong their unemployment spells (Moffitt and Nicholson 1982; and Moffitt 1985). There is general consensus that the program went too far in providing increased UI coverage during the mid-1970s recession.

Surveys of FSB recipients revealed that they were, on average, somewhat older and more likely to be women than the general UI population. Recipients had considerable work experience on their prior jobs, and many ultimately suffered significant wage losses as a result of their layoffs. Although evidence existed that some workers with relatively weak labor market attachments may have received FSB, there was also substantial receipt of benefits by workers who had suffered major economic dislocations (Corson and Nicholson 1982).

The next emergency program, the Federal Supplemental Compensation (FSC) program, addressed worsening labor market conditions brought on by the 1981-1982 recession. Initially, the program provided a maximum of either 6 or 10 weeks of additional benefits, depending on a state's

---

[8]During most of its history, the FSB program was financed through the Extended Unemployment Compensation Account (EUCA). However, under the final extension of the program benefits were financed from general revenues.

program provided a maximum of either 6 or 10 weeks of additional benefits, depending on a state's EB trigger status. To make benefit durations more sensitive to state-level labor market conditions these maximum durations were changed several times over the course of the FSC program. Because of the way in which maximum durations were tied to the IUR, potential durations in a state could change rapidly. In general, however, FSC provided considerably shorter durations than the FSB program of the mid-1970s.

Experiences under the FSC program highlighted some of the problems associated with emergency extended benefits programs. Because the FSC program was implemented fairly late in the business cycle (the program continued until March 1985), a substantial fraction of its benefits were paid during the post-recessionary period. The countercyclical impact of the program was considerably less than that under FSB (Corson et al. 1986). Similarly, because the FSC trigger formula ensured that workers in all states would receive a minimum level of benefits, benefits were not tightly targeted toward labor markets and periods of the most severe unemployment.[9] The complex and frequently changing trigger requirements for FSC also led to administrative difficulties. Particularly problematic were issues relating to the sequencing of EB and FSC, because many claimants were switched back and forth between the programs. Similar difficulties arose because FSC was implemented in four distinct phases, each with somewhat different rules regarding claimants' entitlements and reachback provisions.

FSC used the qualifying-wage and work-test requirements incorporated in the EB program in the early 1980s. These requirements reduced the FSC caseload somewhat. The impact was greatest

[9]The permanent EB program seemed to do a better job of targeting during this period (see, for example, Corson et al. 1986).

in states with the least stringent requirements for regular UI.[10] States also reported that the FSC work-test provisions were costly to administer.

Survey data showed few demographic differences between FSC and regular UI recipients during the same period. This finding contrasted with that for FSB and may have resulted because unemployment from durable-goods manufacturing played a larger role in the 1981-1982 recession than in the 1974-1975 one. Workers laid off from jobs in durables manufacturing also experienced longer unemployment spells than did other workers under FSC, and many suffered severe earnings losses once they became reemployed. FSC provided substantial benefits to workers who might be categorized as dislocated, although the program did not explicitly target them.

B. THE FIVE PHASES OF THE EUC PROGRAM

The EUC program was the most recent temporary extension of UI benefits. The program was implemented in five successive phases (labeled EUC-1 to EUC-5), starting in November 1991 and ending in April 1994. Table I.1 summarizes the key elements of each phase, while Table I.2 presents aggregated data on claims activities on each of the five phases. Greater detail on the provisions of each phase and durations by state is provided in Appendix A. Initially, EUC-1 provided 6, 13, or 20 weeks of benefits, depending on states' unemployment levels; however, legislation in early December changed the minimum duration in all states to 13 weeks. To be eligible for 20 weeks of benefits, states were required to have an adjusted IUR (AIUR) of at least five percent or a six-month

[10]Corson et al. (1986) estimate the reduction in caseload at the national level to be about 4 percent, with specific state reductions ranging from zero to more than 20 percent.

TABLE I.1

MAIN PROVISIONS OF EUC, BY PHASE

EUC Phase	EUC-1	EUC-2	EUC-3	EUC-4	EUC-5
Maximum Potential Duration	13 and 20 weeks[a] (35 states 13 weeks, 9 states 20 weeks, 7 states both durations)	26 and 33 weeks (31 states 26 weeks, 15 states 33 weeks, 5 states both durations)	20 and 26 weeks (36 states 20 weeks, 4 states 26 weeks, 11 states both durations)	10 and 15 weeks[b] (39 states 10 weeks, 4 states 15 weeks, 8 states both durations)	7 and 13 weeks (47 states 7 weeks, 3 states 13 weeks, 1 state both durations)
State Option to Deactivate EB	Yes	Yes	Yes	Yes	Yes, except for EB periods beginning after 2/5/94 (5 states triggered in EB)
Reachback Provisions	Yes	No	Yes for EUC option	No	No
Claimant Option to File for EUC Instead of UI	No	No	Yes	Yes	No
Month/Year	11/91 12/91 1/92	2/92 3/92 4/92 5/92 6/92	7/92 8/92 9/92 10/92 11/92 12/92 1/93 2/93	3/93 4/93 5/93 6/93 7/93 8/93 9/93 10/93	11/93 12/93 1/94 2/94 3/94 4/94

[a]Individuals who began collecting EUC during EUC Phase 1 did not exhaust their entitlements during that phase, and their potential durations were increased to 20 and 26 weeks when Phase 2 went into effect.

[b]The legislation specifying potential durations was identical during EUC-3 and EUC-4, but durations were lower during EUC-4 than EUC-3 because the national unemployment rate dropped so that the national trigger lowering durations was in effect.

TABLE I.2

CLAIMS AND BENEFIT AMOUNTS, BY EUC PHASE

EUC Phase	New Initial Claims[a]	Optional Initial Claims[b]	First Payments[a]	Benefits[c] (Billions of Dollars)
1	1,951,871	0	1,640,344	6.70
2	1,671,239	0	1,452,064	4.60
3	3,627,242	698,312	2,752,967	8.57
4	2,935,796	1,037,646	2,559,129	7.02
5	839,799	100,767	811,493	1.63
All Phases	**10,747,515**	**1,836,725**	**9,215,995**	**28.52**

SOURCE: Calculations from the Unemployment Insurance Service's UI Data Base (UIDB).

[a]The disaggregations of new initial claims and first payments into EUC phases are approximations. Data in the UIDB on these measures are provided on a monthly basis. The estimates of these measures in each EUC phase were calculated by multiplying the measure in a month by the fraction of business days in that month in each EUC phase, for months during which phase changes occur. Entries in the EUC phases may not sum to the entry for all phases because of rounding.

[b]Data on the number of optional claims are provided on a weekly basis in the UIDB. Since all phase changes occurred at the beginning of a week, the calculations provided are derived directly from the data.

[c]The disaggregation of benefits into EUC phase was computed by the Unemployment Insurance Service, U.S. Department of Labor using data on drawdowns from the Treasury by fiscal year.

average TUR of nine percent.[11] Regardless of a state's overall economic health, the legislation specified that long-term unemployed claimants were eligible for at least some additional compensation (13 weeks during EUC-1).[12] EUC-1 had more than 1.6 million first payments, while benefits paid out equaled $6.7 billion.

The EUC trigger was the first use of the TUR as a major trigger device, raising issues about the accuracy of this measure, especially in smaller states. Because the trigger rates specified in the EUC legislation were relatively high, however, only nine states initially qualified for the longer benefit period allowed. Claimants in states that did not meet these trigger requirements were eligible for 13 weeks of benefits.

On several occasions, subsequent phases of EUC altered the durations allowed. Under EUC-2, which began in February 1992 and provided $4.6 billion in benefits, durations were increased from either 13 or 20 weeks to 26 or 33 weeks, respectively.[13] This phase provided the longest benefit durations of the five phases. Benefit durations for EUC-3, which lasted from July 1992 to March 1993, were either 20 or 26 weeks. EUC-3 also contained provisions to reduce potential durations, depending on the national TUR. EUC-4 had the same provisions as EUC-3, but the national trigger led to a reduction in duration to either 10 or 15 weeks. EUC-5 reduced durations further to either 7 or 13 weeks. Each change in duration required complex regulations for how former and current claimants would be treated.

---

[11]The adjustment consisted of including exhaustees during the most recent three-month period in the numerator.

[12]This policy was similar to that of previous emergency benefits programs.

[13]The increase in potential durations affected individuals who began collecting benefits during EUC-1 as well as individuals beginning during EUC-2.

An important feature of EUC was that, during most of the program, states were allowed to choose not to activate the regular EB program during periods in which they qualified for that program. States chose not to use EB; as a result, EUC supplanted EB except for the last two months of the program when this option was not in effect. Because EUC was financed solely from federal sources, the sharing formula for funding in the EB program was superseded during the 1990-1992 recession.

The EUC program included two other provisions that made the program both complex and difficult to administer. First, like previous temporary extensions, FSB and FSC, EUC included reachback provisions that allowed benefits to be paid to claimants who had exhausted UI within a defined period before EUC enactment. Specifically, individuals who had exhausted benefits under claims with benefit years ending after February 28, 1991, could collect emergency benefits if they remained unemployed, even though the program was not enacted until November 1991. Subsequent modifications to the EUC program required states to notify claimants who had exhausted their benefits of increases in benefit durations for which they might be eligible. These increases included those resulting from new legislation (phase changes) or the surpassing of trigger levels.

Second, during EUC-3 and EUC-4 (July 1992 to November 1993), claimants were, under certain circumstances, permitted to choose between filing a claim for regular UI or a claim for EUC. Specifically, claimants who reached the end of a benefit year for regular UI while collecting EUC could choose to continue collecting EUC if they had some remaining eligibility, rather than being required to establish a new benefit year for regular UI, if they qualified.[14] Similarly, newly laid off claimants who had exhausted a regular UI claim during the period in which EUC was in effect could

[14]Individuals who file an initial claim for UI and who are determined to be eligible for benefits can collect benefits up to a maximum amount when they are involuntarily unemployed. Eligibility for these benefits lasts a year--the benefit year.

choose between filing a new claim for regular UI or a claim for EUC based on their earlier benefit year. Claimants who reached the end of a regular UI benefit year without collecting all their potential benefits were considered to have exhausted their benefits, as well as claimants who collected all potential benefits.

This provision was intended to let claimants choose the more advantageous program and not be forced to establish a new regular UI benefit year at a reduced weekly benefit amount. In doing so, however, the provision had several unexpected consequences. First, by allowing claimants to suspend eligibility for regular UI to collect EUC, it created a situation in which EUC benefits (which were financed from general revenues during this period) substituted for regular UI benefits (which are financed through experience-rated UI taxes). Second, it artificially reduced the number of new UI claims, a series closely monitored as a leading indicator of economic activity. Third, it created several administrative problems for states, including the need to explain this complex choice and its implications to claimants and the need to reconfigure computer systems to allow claimants to exercise this option. The provision further complicated administration by having its own reachback element: states had to contact eligible claimants who filed for a new benefit year prior to July 1992 and offer them the choice of programs.

States reported that more than a million and a half initial EUC claims (about 17 percent of new initial claims) were processed using this option.[15] This provision coincided with the EUC phases containing the highest level of benefits paid: EUC-3 and EUC-4 provided claimants $8.6 and $7.0 billion, respectively.

[15]Table I.2 indicates that more than 100,000 initial EUC claims were reported as processed under the option to defer regular UI in EUC-5, when the option had been repealed. Some states indicated that they had difficulty distinguishing EUC claims based on the deferral of regular UI from other EUC claims, and this difficulty may account for these reports.

Changes in funding for the EUC program mirrored funding changes for previous emergency programs, with funding provided by the extended benefit UC Trust Fund when a sufficient balance was available and by general revenues when it was not. For EUC, the trust fund was used to pay for benefits during EUC-1, EUC-2, and EUC-5. General revenues were used for phases 3 and 4.

Finally, the EUC amendments of 1992 affected both the permanent EB program and the EUC. In addition to the option of declining to provide EB benefits, states were permitted (subsequent to the passage of EUC-3) to adopt an alternative trigger based on the TUR for the permanent EB program. Durations available under the EB program were augmented to provide up to 20 weeks of benefits if certain trigger levels were reached, rather than exclusively the 13 weeks available previously. We determine the extent to which these changes permit the EB program to resume its role as the first line of antirecession policy in an overall UI program.

C. ISSUES RAISED BY THE EUC PROGRAM

This review of the historical experience with emergency extended benefits programs and of experiences with the EUC program raises the following six questions, which we address in the evaluation, about the program in general and the extended benefits initiatives specifically:

1. To what extent did EUC contribute to economic stabilization during the 1990-1992 recession?

2. What are the characteristics of individuals who collected EUC benefits? Who collected EUC under the option to opt for EUC instead of regular UI?

3. What were claimants' labor market experiences? What effects did EUC itself have on claimants' labor market activities?

4. What were the fiscal impacts of EUC on state trust funds?

5. What difficulties were encountered in administering EUC? To what extent were these difficulties endemic to temporary programs, and to what extent did they arise from the complex design of the program?

6. Was EUC the relevant policy response, given the nature of the EUC caseload? How might future temporary extended benefits programs be designed to better serve claimants during recessionary programs?

D. EVALUATION APPROACH

Our approach includes three basic components for addressing the issues raised in Section C. First, we address macroeconomic issues by examining the number of claims and amount of benefit payments under the EUC and regular UI programs over time and among states. We also compare the pattern and amount of regular UI and extended benefits payments during the EUC program with the patterns during previous recessionary periods. For this analysis, we use national and state-level data collected for all states from the Unemployment Insurance Data Base (UIDB). We supplement these data with data on unemployment rates and other macroeconomic measures.

Second, we tabulate EUC recipients' characteristics and compare them with those of regular UI recipients who did not collect EUC, to address issues about EUC recipients' characteristics and behavior. We compare these characteristics with those of recipients under the two previous temporary extended benefits programs (FSB and FSC). These analyses are based on individual-level data from samples of regular UI and EUC recipients. Specifically, we collected administrative records data on 28,420 individuals who collected regular UI and/or EUC during the period in which EUC was available. These data were collected from 18 states and weighted to represent the nation (see Appendix A). We also collected more detailed data through a telephone survey on two subsamples of recipients--1,341 EUC recipients and 963 UI-only recipients. Because the telephone survey was conducted in 1996 and early 1997, and to help minimize recall problems, these subsamples were restricted to individuals who collected EUC or could potentially have collected EUC during the latter three phases of the program. The survey samples were drawn from 16 states (2 states were unable to provide sample frame data in time to be included in the survey) and weighted to represent the nation (see Appendix B for a discussion of the sample design and weighting, and Appendix C for a discussion of the survey).

We also examine some EUC impacts on program administration, using information collected through informal discussions with DOL and regional DOL staff and through semistructured interviews with program administrators. It is extremely useful for the EUC evaluation to examine administrative issues, because temporary extended benefits programs inevitably create problems for administrators. These problems are caused in part by the need to implement the programs rapidly and in part by special provisions in the authorizing legislation, often designed to ensure that particular groups of claimants are eligible. A thorough understanding of the challenges administrators face operationally helps to highlight the potential strengths and weaknesses of future employment security options.

E. OUTLINE OF THE REPORT

The rest of this report is divided into six chapters describing our findings from the EUC evaluation. In Chapter II, we examine the aggregate impact of EUC. This analysis includes examinations of the timing of the EUC program relative to the recession, the role EUC played in stabilizing the economy, and the appropriateness of the triggers to determine EUC benefit durations.

Chapter III analyzes the characteristics of EUC recipients and their experiences while collecting benefits. We compare the characteristics of EUC recipients with UI claimants who did not receive EUC and with recipients of previous emergency benefits programs while also examining the effects of EUC on family outcomes (by looking at the antipoverty effects of EUC).

Chapter IV analyzes the labor market outcomes of EUC recipients. In particular, we examine unemployment durations and post-unemployment labor market status and earnings. We also examine the effects of EUC on those outcomes.

Chapter V examines the fiscal impacts of EUC. Specifically, we look at the impact of EUC on UI trust funds through two mechanisms: (1) the provision in EUC-3 and EUC-4 that allowed claimants to choose to collect EUC instead of regular UI benefits, and (2) the provision allowing states to elect EUC instead of EB.

Chapter VI documents the most important administrative problems associated with EUC. We document state administrators' perspectives on their experiences with the initial implementation of EUC, the option to choose EUC instead of UI, the reachback component, and other EUC provisions.

Finally, Chapter VII suggests lessons learned through the EUC program for federal extended benefits policy. These suggestions pertain both to the second-tier EB program and future third-tier emergency extensions.